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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
Debtors.	: (Jointly Administered)
	: :
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**SUPPLEMENT TO DEBTORS'
MOTION, PURSUANT TO SECTION 105(a) OF THE
BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY
PROCEDURE 9019 FOR AUTHORITY TO COMPROMISE CERTAIN
CLAIMS PURSUANT TO DEED IN LIEU OF FORECLOSURE AGREEMENT**

TO THE HONORABLE JAMES M. PECK,
UNITED STATES BANKRUPTCY JUDGE:

1. On January 20, 2010, Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors in the above-referenced chapter 11 cases (together, the “Debtors,” and collectively with their non-debtor affiliates, “Lehman”) filed a motion for authorization to compromise certain claims pursuant to an agreement for a deed in lieu of foreclosure (the “Motion”) [Docket No. 6714].

2. The Motion described the substantive terms of an agreement among LBHI and Stamford Associates, L.P. (“SALP”), Security Pacific Capital Leasing Corporation (“SPCLC,” and together with SALP, the “Stamford Entities”), Stamford Investment Partners,

LP, Stamford Real Estate Corporation, SIP Owner LLC, and Commonwealth Land Title Insurance Company (collectively, the “Parties”). Subsequent to the filing of the Motion, the Parties executed that certain Agreement for Deed / Assignment in Lieu of Foreclosure, dated February 2, 2010 (the “Agreement”), a copy of which is attached hereto as Exhibit A. The Agreement is substantially consistent with the description set forth in the Motion.

3. As set forth in the Motion, the Agreement provides that (i) two proofs of claim, one filed by SPCLC (the “Tax Indemnity Claim”) and one filed by SALP and SPCLC (the “Guarantee Claim”) will be amended and superseded by two general unsecured claims which shall be allowed solely against LBHI (together, the “Amended and Superseded Proofs of Claim”) and (ii) the Legacy Rent Payment will be released to SALP upon the Closing (as each term is defined in the Motion).

4. This supplement is made to provide disclosure that the Debtors have become aware that certain of the limited partners of SALP (the “Limited Partners”) are former Lehman employees (the “Lehman Limited Partners”), including individuals that may have been “insiders” (as such term is defined in section 101(31) of title 11 of the United States Code) of the Debtors prior to the commencement of these cases. Based on a list of Limited Partners provided to the Debtors by the Stamford Entities, attached hereto as Exhibit B is a list of the Limited Partners who, to the best of the Debtors’ knowledge and belief, were former Lehman employees. The Debtors are not aware of any involvement of the Lehman Limited Partners in the negotiation of the Agreement.

5. The Stamford Entities have informed the Debtors that (i) the Legacy Rent Payment paid to SALP will, in turn, be distributed among SALP’s general partner and the Limited Partners pursuant to SALP’s constitutive documents; and (ii) SPCLC intends to sell the

Amended and Superseded Proofs of Claim and the net proceeds from the sale of the Guarantee Claim will be distributed among SALP's general partner and the Limited Partners in accordance with SALP's constitutive documents.

6. The Parties have agreed to amend the proposed form of order to clarify that the Guarantee Claim will be for the sole benefit of SPCLC (to the exclusion of SALP),¹ preventing any former Lehman employees from directly recovering on any claims against the Debtors' estates.²

Dated: February 17, 2010
New York, New York

/s/ Shai Y. Waisman

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¹ Nothing contained herein shall impair the assignability of the claim or the proceeds thereof.

² A blackline of the revised proposed order is attached hereto as Exhibit C and a clean copy of the revised proposed order is attached hereto as Exhibit D.